PICCADILY

— SINCE : 1967 —

Date: 25.02.2025

To,
The Manager
BSE Limited,
P.J Tower, Dalal Street,
Mumbai-400001

Scrip Code: 530305

Subject: Intimation of Revision in Ratings under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir,

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015(the "Regulations"), please note that **Infomerics Valuation and Rating Private Limited** vide its letter dated 25.02.2025, has revised its ratings for the Company as follows:

S.No.	Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action
1.	Long Term Bank Facilities	330.96	IVR A-/Stable [IVR Single A Minus with Stable Outlook]	IVR BBB+/Stable [IVR Triple B Plus with Stable Outlook]	Upgraded
2.	Short Term Bank Facilities	17.00	IVR A2+ (IVR A Two Plus)	IVR A2 (IVR A Two)	Upgraded
	Total	**347.96 [enhanced from Rs. 271.43 crore]**	**[Rupees Three hundred forty-seven crore and ninety-six lakh only]**		

Piccadily Agro Industries Ltd.
Registered Office: Village Bhadson, Umri – Indri Road, Teh. Indri, Distt. Karnal, Haryana-132109 (India)
Corporate Office: G-17, JMD Pacific Square, Sector-15 (Part-2), Gurugram, Haryana 122002 (India)
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Investor Relations: Ph.: +91-172-2997651, Website: www.picagro.com, Email: piccadilygroup34@rediffmail.com
CIN No.: L01115HR1994PLC032244

The rating letter received from **Infomerics Valuation and Rating Private Limited is attached for your reference as Annexure A.**

We request you to kindly take the same on your record.

Thanking you,

Yours faithfully,

Piccadily Agro Industries Limited

Niraj Kumar Sehgal

Digitally signed by Niraj Kumar Sehgal
Date: 2025.02.25 18:26:52 +05'30'

Niraj Kumar Sehgal
Company Secretary & Compliance Officer
A-8019

Piccadily Agro Industries Limited

February 25, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	330.96	IVR A-/Stable [IVR Single A Minus with Stable Outlook]	IVR BBB+/Stable [IVR Triple B Plus with Stable Outlook]	Rating Upgraded	Simple
Short Term Bank Facilities	17.00	IVR A2+ (IVR A Two Plus)	IVR A2 (IVR A Two)	Rating Upgraded	Simple
Total	**347.96 [enhanced from Rs. 271.43 crore]**	**[Rupees Three hundred forty-seven crore and ninety-six lakh only]**			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has upgraded its rating assigned to the bank facilities for the long-term facilities to IVR A- with stable outlook and short-term facilities to IVR A2+ of Piccadily Agro Industries Limited (PAIL).

The rating upgrade is on account significant improvement in scale of operations along with improved profitability and satisfactory financial risk profile. The ratings continue to draw comfort from experienced promoters with long track record and demonstrated by strong brand name "INDRI" in single malt whiskey. The company also drew support from diversified product portfolio and proximity to sugar cane growing area along with moderate recovery rate. However, these rating strengths are partially offset by moderate working capital intensive nature of operations and agro climatic factors. The company is exposed to risk related to Government regulations along with project implementation risk.

The 'Stable' outlook reflects Infomerics Ratings expectation of sustained profitability and growing scale of operations. Infomerics believes PAIL will continue to benefit from its operational track record in the business resulting in increased scale of operations.

Infomerics Ratings has principally relied on the standalone audited financial results of PAIL up to 31 March 2024 (refers to period April 1st, 2023, to March 31st, 2024) and projected financials for FY2025 (refers to period April 1st, 2024, to 2 March 31st, 2025) - FY2027 (refers to period April 1st, 2026, to March 31st, 2027), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained growth in operating income and improvement in profitability
- Sustenance of the capital structure and improvement in debt protection metrics

Downward Factors

- Moderation in operating income and/or cash accrual or deterioration in operating margin, any stretch in the working capital cycle driven by pile-up of 2 inventory or stretched receivables, or sizeable capital expenditure affecting the financial risk profile, particularly liquidity.
- Delay in completion of the project with cost and time overrun and delay in commencement of operations.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Promoters and long track of record along with strong brand name**

PAIL has an operational track record from 1997. Long standing presence of the promoter in the industry has helped the company to build established relationships with both customers and suppliers. Established brand PAIL has a presence across products segments such as Brandy, Malt Whisky, Rum. The Company also manufactures single malt whiskey which is a premium product as demonstrated by strong brand name "INDRI" in single malt whiskey. The Company is likely to benefit from its established presence and brand name going forward.

- **Proximity to sugar cane growing area and moderate recovery rate**

The primary raw material, sugarcane, is available in abundant quantity in nearby area. The presence in sugarcane growing area gives a competitive advantage in terms of easy availability of quality sugarcane and lower freight. The recovery rate of the company remained moderate at 9.75% with a recovery of molasses at 4.44% in FY24. (10.05% and 4.82% in FY23).

- **Diversified product portfolios**

PAIL derives 35.32% of total revenue from sugar segment and 70.92% from distillery products in FY24 as compared to 45.02% from sugar segment and 46.40% from distillery unit in FY23. PAIL is engaged in crushing of cane, distillery production from grains, ethanol production from grain/molasses and power generation from bagasse for captive consumption. PAIL for backward integration has started manufacturing pet bottles and cap production for liquor packaging. A diversified product portfolio enables the company to spread its risk and reduces dependency on single/few products. The company gradually diversified its product portfolio in its both segments, which also underpinned growth in its both segments. PAIL also has contracts with IOCL, HPCL and BPCL to supply ethanol.

- **Continuous scale up of operations and profitability**

The total operating income of the company has witnessed an increasing trend with a CAGR of ~16.78% during last three years ending March 31, 2024. Further, on y-o-y basis the TOI of the company grew by 28% and stood at Rs. 779.43 crore in FY24 compared to Rs. 608.89 crore in FY23 on account of increase in sales volume as well as sales realization of its products in both the segment (Sugar and Distillery) during the year. The GCA stood at Rs. 102.76 crore in FY24 improved from Rs. 39.73 crore in FY23 on account of increase in profitability. With increase in scale of operations and decline in raw material consumption cost, the EBITDA margin of the company has improved by 913 bps and stood healthy at 19.48% in FY24 compared to 10.35% in FY23. Subsequently, the PAT margin of the company has also improved significantly by 1032 bps and stood at 14.37% in FY24 compared to 4.05% in FY23.

- **Satisfactory financial risk profile**

The capital structure of the company stood comfortable marked by overall gearing at 0.65x as on March 31, 2024, improved from 0.97x as on March 31, 2023, on account of accretion of profits to general reserve. The long-term debt equity ratio stood at 0.29x as on March 31, 2024, improved from 0.38x as on March 31, 2023. The total indebtedness of the company as reflected by TOL/TNW stood at 1.50x as on March 31, 2024, improved from

2.28x as on March 31, 2023, on account of decline in creditors. The debt protection metrics of the company remained average over the years marked by its satisfactory gross cash accruals. The DSCR stood at 4.95x in FY24 improved from 1.85x during FY23 on account of schedule repayment of term loans. The interest coverage improved and stood at 9.67x in FY24 compared to 4.74x in FY23 on account of increase in profitability. Total debt to GCA improved to 1.67x in FY24 improved from 3.87x in FY23 on account of increased profitability.

B. Key Rating Weaknesses

- **Moderate Working capital intensive nature of operations**

The operations in sugar and distillery sector are capital intensive. PAIL is engaged with client having Licence 1 and Licence 13 and is approved by government for sale of IMFL, country liquor and company has 25 agents for sale of sugar. The Working Capital Cycle of the company moderated and remained elongated at 90 days in FY24 compared to 75 days in FY23.

- **Agro Climatic factors**

Sugarcane and broken rice is the key input into the sugar and distillery industry and is dependent on timely monsoons. Any adversity on the timely and adequacy of rainfall, given highly uneven pattern of rainfall observed in the last few years, would drastically affect the availability and price of raw material thereby affecting profitability of the company.

- **Exposure to risk related to government regulations**

The Sugar and Liquor industry is highly exposed to risks related to Government regulations. Various Government Acts virtually governs all aspects of the business, which include the availability and pricing of sugarcane, sugar trade and by - product pricing. The procurement of sugarcane by the sugar entities is governed by the Sugarcane (Control) Order, 1966, which stipulates that the mills need to source their sugarcane only from the command area allocated to them. The order also makes it mandatory for the sugar mill to necessarily uplift the entire sugarcane production of the farmer, irrespective of the market demand, which has a considerable impact on the inventory holding pattern. The liquor industry in India is governed by strict government regulations and license regime that differ from state to state. Each India's states have their own regulatory controls on the production, marketing and distribution, and even pricing of alcohol. Further, high taxation and duties also make the industry dynamics complex. This makes its operating profitability susceptible to any policy measure announced by the Government.

- **Ongoing and future projects**

The company has undertaken to establish a New dual feed distillery of 210 KLPD under ethanol blending program of Government of India under interest subvention scheme with a total project cost of Rs. 182 crore which will be funded through a bank term loan of Rs. 126 crore and remaining Rs. 56.00 crore through internal accrual. Till January 2025, the total expenditure incurred amounts to Rs. 107.10 crore which was funded through term loan of Rs. 63.69 crore through bank and promoter contribution of Rs. 43.41 crores. The projected COD for the project is 30.09.25. The SCOD as per the sanctioned letter is Oct 2025. The company has formed its subsidiary, Portvadie Distillers & Blenders Limited, in Glasgow, Scotland for production of single malt whiskey under a foreign brand name. Till now only land acquisition has been completed and as of now PAIL has invested around Rs.17 crore in the form of equity share capital in the subsidiary. Any further investments in this subsidiary will be key rating monitorable.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Manufacturing Companies.
Financial Ratios & Interpretation (Non-Financial Sector).
Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The liquidity position of the company is adequate, marked by its sufficient cash accruals as against its repayment obligations. The Company's average fund based working capital limit utilization stood low at 93.40% for the last 12 months ended December 2024 indicating moderate buffer in its working capital limits. Further, the company had free cash and cash equivalents to the tune of Rs. 14.20 crore as on March 31, 2024, which is expected to support the liquidity profile of the company in the near to medium term. The current ratio of the company stood moderate at 1.31x as on March 31, 2024. Further, the company expects sufficient cushion in cash accruals against its debt repayments. The company is expecting GCA in the range of Rs. 127.62 Cr. - Rs. 172.10 Cr. during FY25-27 against debt repayment of Rs.19.10 crore – 34.02 crore during FY25-27. The Working Capital Cycle of the company stood at 90 days in FY24 days.

About the Company

Piccadily Agro Industries Ltd (PAIL), a Public Limited Company, was incorporated in the year 1994 and started its commercial operations in 1997 as a sugar processing company. Later in 2007, PAIL has set up a distillery unit. At present the company is engaged in manufacturing sugar and distillery products at a manufacturing plant in Karnal, (Haryana) covering an area of around 168 acres. The facility comprises a 5,000-tonne-per-day crushed sugar production unit and a 150 KLPD distillery unit. It also has a co-gen power capacity of 14 MW for sugar and 3MW for distillery unit. The company has established presence in 28 countries and established distribution across 9 global and 15 domestic duty-free locations. Further, also have secured CSD listings for Indri Single Malt and Whistler Blended Malt Whisky, strengthening position in the premium alcobev sector.

Financials (Standalone): **(Rs. crore)**

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	608.89	779.43
EBITDA	63.01	151.82
PAT	24.69	112.13
Total Debt	153.95	171.80
Tangible Net Worth	230.64	340.89
EBITDA Margin (%)	10.35	19.48
PAT Margin (%)	4.05	14.37
Overall Gearing Ratio (x)	0.97	0.65
Interest Coverage (x)	4.74	9.67

* *Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in in 2021-22
					March 27, 2024	**March 31, 2023**	**Sept 13, 2021**
1.	Fund Based Limits	Long Term	330.96	IVR A-/Stable	IVR BBB+/ Stable **Jan 23, 2024** IVR BBB+/ Stable	IVR BBB/ Stable **Dec 12, 2022** IVR BBB/ Stable	IVR BBB/ Stable
2.	Non-Fund Based	Short Term	17.00	IVR A2+	**March 27, 2024** IVR A2 **Jan 23, 2024** IVR A2	**March 31, 2023** IVR A3+ **Dec 12, 2022** IVR A3+	IVR A3+

Analytical Contacts:

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit

Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Facility – Cash Credit	-	-	-	-	150.00	IVR A-/Stable
Long Term Facility – Term Loan	-	-	-	Feb, 2033	180.96	IVR A-/Stable
Short Term Facility – Bank Guarantee	-	-	-	-	17.00	IVR A2+

Annexure 2: Facility wise lender details:
https://www.infomerics.com/admin/prfiles/len-piccadilyagro-feb25.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.